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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

-----x

3 UNITED STATES OF AMERICA,

New York, N.Y.

4 v.

22 Cr. 311 (MKV)

5 JEFFREY SOBERMAN PARKET,

6 Defendant.

7 -----x

8 January 11, 2024

9 2:05 p.m.

10 Before:

11 HON. MARY KAY VYSKOCIL,

12 U.S. District Judge

13  
14 APPEARANCES

15 DAMIAN WILLIAMS

16 United States Attorney for the  
17 Southern District of New York

BY: JANE CHONG

Assistant United States Attorney

18 FEDERAL DEFENDERS OF NEW YORK

Attorneys for Defendant

19 BY: AMY GALLICCHIO

-and-

20 LANKLER, SIFFERT & WOHL, LLP

21 BY: LISE E. RAHDERT

22 ALSO PRESENT: MARK RIZZO, Inspector, U.S. Postal Service

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(Case called)

THE DEPUTY CLERK: Counsel, starting for the government please state your name for the record.

MS. CHONG: Good afternoon, your Honor. Jane Chong for the government, and I am joined at counsel table by U.S. Postal Inspector Mark Rizzo.

THE COURT: Good afternoon, Ms. Chong. Good afternoon to you, Inspector Rizzo. I have seen your name, so thank you for being here today.

MS. RAHDERT: Good afternoon, your Honor. Lise Rahdert, Lankler, Siffert & Wohl on behalf of Jeffrey Parket, and I am joined at counsel table by my co-counsel Amy Gallicchio of Federal Defenders of New York.

THE COURT: Good afternoon to both of you.

MS. RAHDERT: Good afternoon.

THE COURT: And good afternoon to you Mr. Parket, you say it; right?

THE DEFENDANT: Yes.

THE COURT: Thank you.

Good afternoon as well to our court reporter. Thank you.

As you know, I am Judge Vyscocl and we are here this afternoon for the purpose of sentencing Mr. Parket. Sir, let me just confirm for the record that you do speak and understand English clearly.

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1 THE DEFENDANT: Yes, I do.

2 THE COURT: And you do not need the services of an  
3 interpreter?

4 THE DEFENDANT: No, I do not.

5 THE COURT: Ms. Chong, are there victims entitled to  
6 notice? I know we have some victim impact statements but has  
7 everyone entitled to notice been given notice?

8 MS. CHONG: Yes, your Honor.

9 THE COURT: Thank you.

10 So, by way of background, Mr. Parket was charged  
11 initially in a six-count complaint. On February 15th, he  
12 waived indictment and the government filed a superseding  
13 information which contained four counts, but pursuant to a plea  
14 agreement with the government, Mr. Parket pled guilty to two  
15 counts of that information: Count One, which charged him with  
16 wire fraud, in violation of Title 18, United States Code,  
17 Section 1343 and 2, and Count Three of that information charges  
18 him with bank fraud in violation of Title 18 United States Code  
19 Section 1344 and 2.

20 Since that time the Probation Office has completed its  
21 investigation, the parties have filed their sentencing  
22 submissions. Please listen very carefully. I'm going to state  
23 for the record what it is I have before me that I have  
24 considered in connection with today's sentencing and I want to  
25 be sure I'm not missing anything. All right?

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1           So, I have first the revised final presentence report  
2       filed on May 9, 2023, that's at ECF no. 58. I will note that  
3       the Probation Office made a number of revisions in response to  
4       comments or requests from the defense including to paragraphs  
5       9, 27, 63, 64, and then there were additional comments or  
6       additions that resulted in changes to paragraphs 8(k), 17, 24,  
7       54, 56, 58, 59, 65, 68, 70, 72, 74, 75, 79, 82, 84 through 87,  
8       and a footnote was added to paragraph 90.

9           In terms of objections, it is the Court's  
10       understanding that the government provided no objections to  
11       probation but did note, make a comment to probation which  
12       resulted in an amendment to paragraph 11 with regard to the  
13       amount of fraudulent loans obtained.

14           In a letter dated May 1st, defense counsel provided  
15       objections to five of the paragraphs: Paragraph 19, 20, 27,  
16       30, and Appendix A of the PSR. I will turn to ruling on those  
17       in a moment but for now I am noting what it is that I have.

18           I will note that in addition, in connection with the  
19       defense submission, there were a number of additional comments  
20       or corrections that were made belatedly, untimely, to paragraph  
21       63, 69, 70, 83, and 90.

22           In addition, I have Mr. Parket's sentencing submission  
23       that I just alluded to that was filed on June 14; that's at ECF  
24       no. 65. That contained two corresponding appendices and 12  
25       exhibits. Those exhibits include a letter from Mr. Parket

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1 himself, seven letters of support submitted on his behalf, two  
2 exhibits from his attorneys relating to involvement in the  
3 whistle-blower action, they were filed under seal, a history of  
4 Mr. Parket's blood donations at the New York Blood Center, and  
5 a declaration from a professor at Harvard regarding certain  
6 sentencing statistics.

7 Then I received, with leave of Court, a supplemental  
8 sentencing submission from Mr. Parket filed on November 9,  
9 2023. That's at ECF no. 91. That's under seal, as is at least  
10 parts of the initial sentencing submission.

11 I then have the government's sentencing submission  
12 which was filed untimely on November 13 of 2023. That's at ECF  
13 no. 93. That submission was due on November 9th. On November  
14 13th, at 4-something in the morning, the Court received an  
15 e-mail from the government apologizing for filing its  
16 submission in an untimely manner and explaining that it had the  
17 sentencing calendared for the wrong date. It seems to be a  
18 consequence of the fact that things were adjourned several  
19 times. I will just note for the record it is really not  
20 acceptable for the government to file things late. I do have  
21 the government's apology and I have taken the submission into  
22 account, obviously.

23 I also have seven victim impact statements along with  
24 the victim identifier numbers that the government proposes that  
25 we use today for any victims who wish to speak.

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1           Then, last night I received a letter from the  
2 government with a request that the government be permitted to  
3 read to me a victim impact statement of a victim who had hoped  
4 to be here, as I understand it, but was unable to be here. I  
5 will note that I have carefully read and reviewed that  
6 statement. It appears to parallel one of the seven statements  
7 that were provided; is that correct?

8           MS. CHONG: That's correct, your Honor.

9           THE COURT: All right.

10           Then I have a consent preliminary order of forfeiture  
11 as to specific property and money judgment which was signed by  
12 all parties, so ordered by the Court on February 15 of 2023. I  
13 have a stipulation and order which was signed on September 25,  
14 2023, that's at ECF no. 84, that is a stipulation between the  
15 government and a third-party petitioner, Robyn Parket, where  
16 the government recognizes the petitioner's interest in a  
17 portion of the specific property in the preliminary order of  
18 forfeiture.

19           I then have a proposed, what's labeled, Consent Order  
20 of Restitution. It is my understanding that's now been signed;  
21 is that correct?

22           MS. CHONG: That's correct, your Honor.

23           THE COURT: And what was given to the Court is in fact  
24 on consent, counsel? I am asking the defense.

25           MS. RAHDERT: Yes, your Honor.

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1 THE COURT: And Ms. Dempsey, you have that signed  
2 order?

3 THE DEPUTY CLERK: Yes, your Honor.

4 THE COURT: Thank you.

5 So that is the entirety of what the Court has before  
6 it and has considered in connection with sentencing. Is that  
7 the totality of the record, Ms. Chong?

8 MS. CHONG: Yes, your Honor.

9 THE COURT: Are you taking the lead, Ms. Rahdert?

10 MS. RAHDERT: Yes, your Honor.

11 THE COURT: Is that the totality of the record?

12 MS. RAHDERT: Yes, it is your Honor. I just want to  
13 note for clarity for the record that our supplement was filed  
14 on November 6.

15 THE COURT: OK. It is at ECF no. 9 in any event.  
16 That will reflect whatever the date is but the date is not  
17 really material; right?

18 MS. RAHDERT: Correct, your Honor.

19 THE COURT: Thank you.

20 So let me first ask Ms. Rahdert, have you had the  
21 opportunity to read the presentence report, to discuss it with  
22 your client, and to lodge any comments or objections?

23 MS. RAHDERT: Yes, we have, your Honor. I just want  
24 to let the Court know that although we did make some objections  
25 in the original draft that probation did not implement, we are

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1 no longer pursuing those objections, and the only corrections  
2 on which we request a ruling from the Court are the ones listed  
3 in the appendix to our sentencing submission.

4 THE COURT: I appreciate that. I will go through them  
5 one by one just to confirm with you though. OK?

6 Mr. Paret, have you had the opportunity to review the  
7 presentence report, to talk to your lawyers about it, to raise  
8 with them any objections, concerns, or comments that you might  
9 have?

10 THE DEFENDANT: Yes, I have, your Honor.

11 THE COURT: Has the government read the presentence  
12 report and tendered any objections it wishes to make?

13 MS. CHONG: Yes, your Honor.

14 THE COURT: One final question. The Court is in  
15 possession, as I mentioned, of originally there were seven  
16 victim impact statements. I received, really in effect, a  
17 duplicate last night. Has the defense seen all of those?

18 MS. RAHDERT: Yes, we have, your Honor.

19 THE COURT: Because, as you know, I would be obligated  
20 to disclose any information that's not publicly part of the  
21 record, but you have them and you are aware of them and you  
22 have whatever opportunity you wish to respond and to comment;  
23 right?

24 MS. RAHDERT: That's correct, your Honor. Thank you.

25 THE COURT: Let me ask a few questions of the parties.



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1 With respect to forfeiture, as I previously noted, I did enter  
2 a consent preliminary order of forfeiture as to specific  
3 property and money judgment, a sum of money equal to  
4 \$65,441,683.82 representing the proceeds chargeable to the  
5 offenses charged in Count One and Three, together with certain  
6 specific property that was the subject of that forfeiture  
7 order. As I said earlier, Ms. Robyn Parket, the defendant's, I  
8 believe, wife or ex-wife, filed petition for a forfeiture  
9 hearing but that issue has now been resolved pursuant to the  
10 stipulation that is on the docket at ECF no. 84. Is that  
11 accurate?

12 MS. CHONG: That's accurate, your Honor.

13 THE COURT: From the defense's point of view is that  
14 accurate?

15 MS. RAHDERT: Yes, your Honor.

16 THE COURT: Is Robyn Parket in attendance?

17 MS. RAHDERT: No.

18 THE COURT: Is there anything further that the Court  
19 needs to do with respect to the forfeiture issue, Ms. Chong?

20 MS. CHONG: At the moment, no, your Honor. However, I  
21 have conferred with the clerks in our office who work on  
22 forfeiture matters and they inform me that per their normal  
23 practice, after the sentence is imposed they will send to the  
24 Court a package that consists of a declaration and final order  
25 of forfeiture.

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1           THE COURT: Thank you. But, for the record, that  
2 final order of forfeiture is part of the Court's sentencing  
3 here and will be incorporated into the judgment that I will  
4 enter.

5           With respect to restitution, you have confirmed that  
6 that has now been signed so I can move on from there.

7           With respect to the stipulated guidelines range, I  
8 just want to put on the record that the parties entered into  
9 their plea agreement in August of 2022 and stipulated to a --  
10 no?

11           MS. RAHDERT: Your Honor, I believe the final plea  
12 agreement is dated January 30th of 2023.

13           THE COURT: Let me take a look. What date are you  
14 telling me?

15           MS. RAHDERT: January 20th of 2023.

16           THE COURT: In any event, it included a stipulated  
17 guidelines range of 121 to 151 months. I issued an order  
18 directing the parties, I issued that on November 9 of 2023,  
19 asking the parties to submit a letter advising the Court before  
20 the sentencing of the impact of any amendments to the  
21 Sentencing Guidelines that went into effect on November 1st of  
22 2023. The parties filed a joint letter -- this really should  
23 be referenced as part of the record in connection with today's  
24 sentencing -- that letter is ECF no. 94, informing the Court  
25 that Mr. Parket does not qualify for the two-level offense

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1 level reduction for zero point defendants. Mr. Parket doesn't  
2 contest this fact and the guidelines range of 121 to 151 months  
3 remains unchanged.

4 Is that accurate, Ms. Chong?

5 MS. CHONG: Yes, your Honor.

6 THE COURT: Ms. Rahdert?

7 MS. RAHDERT: Yes, it is. Thank you.

8 THE COURT: Thank you.

9 Let me ask defense counsel, have you reviewed with  
10 Mr. Parket the mandatory, standard, and special conditions of  
11 supervised release that have been proposed by probation in the  
12 PSR?

13 MS. RAHDERT: Yes, we have.

14 THE COURT: Are you comfortable with my referring to  
15 the mandatory and standard conditions generically rather than  
16 putting them on the record verbatim?

17 MS. RAHDERT: Yes, we are, your Honor.

18 THE COURT: Mr. Parket, have you reviewed those  
19 conditions with your lawyer and do you understand all of them?

20 THE DEFENDANT: Yes, I do, your Honor.

21 THE COURT: Specifically, with respect to the special  
22 conditions, I am obligated by the Second Circuit to put those  
23 on the record. Probation has proposed that if there is a term  
24 of supervised release after any term of imprisonment that you,  
25 during that period, participate in outpatient mental health

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1 treatment approved by the Probation Office, that you continue  
2 to take any prescribed medication unless otherwise instructed  
3 by your healthcare provider, and that you contribute to the  
4 costs of services rendered based on your ability to pay or on  
5 the availability of any third-party payments like insurance,  
6 for example.

7 I would authorize the release of available evaluations  
8 and reports including the presentence report to the healthcare  
9 provider.

10 Next, Probation recommends that there be a search  
11 condition which would provide that you submit your person, any  
12 property, residence, vehicle, papers, computer, or other  
13 electronic communication, data storage device, cloud storage,  
14 or media and effects, to a search by any United States  
15 probation officer who, if needed, could enlist the assistance  
16 of law enforcement. Any such search would be conducted when  
17 there is a reasonable suspicion concerning violation of a  
18 condition of supervision or any unlawful conduct by the person  
19 being supervised, which obviously is you, Mr. Parket. Failure  
20 to submit to a search may be grounds for revocation of release  
21 and you would be ordered to warn any other occupants of your  
22 premises that the premises may be subject to search pursuant to  
23 the condition. I would order that any search be conducted at a  
24 reasonable time and in a reasonable manner.

25 There is also a recommended condition that you provide

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1 the probation officer with access to any requested financial  
2 information and that you not incur new credit charges or open  
3 any additional lines of credit without the approval of the  
4 probation officer, unless you are in compliance with the  
5 payment schedule with regard to any financial penalties.

6 Do you understand all of those conditions, Mr. Parket?

7 THE DEFENDANT: Yes, I do, your Honor.

8 THE COURT: Have you had the chance to talk to your  
9 lawyers about them?

10 THE DEFENDANT: Yes, I have.

11 THE COURT: Are there any objections to those special  
12 conditions?

13 MS. RAHDERT: No, your Honor.

14 THE COURT: Thank you.

15 Does the government still agree that Mr. Parket is  
16 entitled to a two-level reduction in the offense level  
17 calculation based on clearly demonstrated acceptance of  
18 responsibility?

19 MS. CHONG: Yes, your Honor.

20 THE COURT: And does the government intend to move for  
21 a further one-level reduction based on timely notice of intent  
22 to plea?

23 MS. CHONG: Yes, your Honor.

24 THE COURT: The motion is granted and I did, in doing  
25 my own independent guidelines calculation, anticipate that the

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1 motion would be made and granted, so I have factored in a  
2 three-level reduction in the calculation of Mr. Parket's  
3 offense level.

4 Let me turn to the objections to the PSR or the  
5 comments that were raised by the defense. So, counsel, are you  
6 telling me that the objections to paragraphs 19 -- well, let me  
7 go one by one. 19; is that withdrawn?

8 MS. RAHDERT: Yes, your Honor.

9 THE COURT: The objection to paragraph 20; is that  
10 withdrawn?

11 MS. RAHDERT: Yes.

12 THE COURT: Paragraph 27?

13 MS. RAHDERT: Yes.

14 THE COURT: Paragraph 30?

15 MS. RAHDERT: Yes.

16 THE COURT: And there was an objection to Appendix A  
17 arguing that the information from the JSIN database is not  
18 sufficiently reliable or relevant.

19 MS. RAHDERT: We are not pursuing that objection, your  
20 Honor.

21 THE COURT: I hope not, in light of the fact that you  
22 put in your own statistics.

23 All right. Now, there were a number of items that you  
24 raised in your actual submission so let me go through them one  
25 by one. I will say, to be perfectly honest, these appear to be

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1 either non-controversial or not particularly significant, so  
2 what I am going to do is state them, you can correct me if I  
3 misstate it in any way, and then I want to know, Ms. Chong,  
4 whether you agree or have any objections.

5 So, there is a comment with respect to paragraph 63.  
6 Counsel requests that the PSR be amended to reflect that  
7 Mr. Parket's son, Brett Parket, attempted to return the phone  
8 call from Officer Hay, to complete an interview.

9 Is there an objection?

10 MS. CHONG: No, your Honor.

11 THE COURT: I will recommend that the PSR be amended  
12 to reflect that there was an attempt to return that call. Does  
13 that satisfy the defense position?

14 MS. RAHDERT: Yes. Thank you.

15 THE COURT: Paragraph 69, counsel, notes that  
16 Mr. Parket's hospitalization at Gracie Square took place in  
17 December of 2021, not 2022, and asks that the PSR reflect the  
18 accurate date and that the reference to November 31 be changed  
19 to November 30th.

20 Does the government agree with these amendments?

21 MS. CHONG: Yes, your Honor.

22 THE COURT: In paragraph 70, the defense asks that the  
23 PSR be amended to clarify that one of the substances used by  
24 Mr. Parket in his suicide attempt was rubbing alcohol, not  
25 simply alcohol. Is that accurate?

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1 MS. RAHDERT: Yes.

2 THE COURT: Does the government object to that  
3 amendment being made?

4 MS. CHONG: No, your Honor.

5 THE COURT: In paragraph 83, defense counsel asserts  
6 that the PSR incorrectly reports that Mr. Parket was stationed  
7 in California when, in reality, he was on a business trip in  
8 California during the September 11, 2001 attack, and asks that  
9 the PSR be amended to indicate that he was living in New York  
10 at the time.

11 MS. RAHDERT: Yes.

12 THE COURT: Is that the substance?

13 Any objection?

14 MS. CHONG: No objection, your Honor.

15 THE COURT: And finally, with regard to paragraph 90,  
16 counsel asserts that Mr. Parket sold the house on 10 Central  
17 Drive -- I don't know where that is. Where is that?

18 MS. RAHDERT: It is in Great Neck.

19 THE COURT: In Great Neck; in October of 2016, and  
20 that he sold the house at 7 Fairfield Drive. Where is that  
21 one?

22 MS. RAHDERT: Also in Great Neck.

23 THE COURT: In Great Neck; in 1994, and requests that  
24 the PSR be amended to make clear that he no longer owns those  
25 two properties.



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1 Is that accurate?

2 MS. RAHDERT: Yes. Thank you.

3 MS. CHONG: No objection, your Honor.

4 THE COURT: So we will indicate in the judgment in  
5 this matter that those five corrections should be made.

6 Does that take care of the entirety of any objections  
7 or comments by the defense?

8 MS. RAHDERT: Yes, it does, your Honor.

9 THE COURT: And there are no last minute objections by  
10 the government; right?

11 MS. CHONG: That's correct, your Honor. Thank you.

12 THE COURT: Thank you. So, with that, then I will  
13 make those corrections.

14 I will note that the guidelines calculation in the PSR  
15 is consistent with the parties' stipulated guidelines  
16 calculation and it is also consistent with the independent  
17 calculation that I have done which I will put on the record in  
18 a few moments. So, with the five revisions we have just talked  
19 about, the PSR will be made part of the record in this matter,  
20 will be filed under seal. If any appeal is taken, counsel on  
21 the appeal may have access to the PSR without the need for any  
22 further application to the Court.

23 Ms. Chong, would you wish to be heard?

24 MS. CHONG: Yes, your Honor.

25 THE COURT: And I'm open to hearing from the parties,

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1 by the way, about where during the proceeding you think it is  
2 appropriate for any victims who want to address the Court to be  
3 heard. My own inclination is they should speak after you, but  
4 I don't know if you have a view on that.

5 MS. CHONG: Yes, your Honor; the government agrees  
6 with the Court.

7 THE COURT: Anything from the defense on the ordering?

8 MS. RAHDERT: That's fine with the defense, your  
9 Honor.

10 THE COURT: That way you will hear what they have to  
11 say, if there is anything you want to say in response before  
12 you speak.

13 MS. RAHDERT: Thank you. Appreciate that.

14 THE COURT: Ms. Chong.

15 MS. CHONG: Your Honor, may I use the podium?

16 THE COURT: Sure.

17 MS. CHONG: This is an extraordinary and elaborate  
18 fraud perpetrated by a single individual who, by his own  
19 account, had it all -- a happy marriage, close relationship  
20 with his adult children, and a large extended family that  
21 included a loving stepmother, siblings, in-laws. Jeffrey  
22 Parket also enjoyed a lifetime of financial success as a bond  
23 trader, hedge fund founder, and investor, and amassed millions  
24 of dollars in personal wealth. But, he lost that fortune. And  
25 rather than rely on his extensive support network or any of the

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1 other resources at his disposal, he decided to just fake it.  
2 For five years he maintained his comfortable lifestyle by  
3 deceiving and systematically stealing from, yes, sophisticated  
4 individual and institutional lenders who thought they were  
5 giving short-term loans to a well-established financial  
6 professional. But that's not all. He also took millions of  
7 dollars from close friends and family members who trusted him  
8 to responsibly borrow money from them, or in the case of the  
9 family members, to invest their money for them and keep it safe  
10 not only because he is a financial whiz but because he is their  
11 friend, their father, their stepson.

12 In his written submission to the Court the defendant  
13 professes remorse for his actions but he also insists that he  
14 should not spend a single day behind bars. And to support that  
15 position, he makes two arguments that I expect the defense will  
16 make again today. Neither of these arguments has any merits.  
17 First, he argues that the guidelines range of 121 to 151 months  
18 is just too high because it was mostly calculated, as these  
19 ranges are in fraud cases, using the large loss amount in this  
20 case.

21 Second, he argues that no prison time is warranted  
22 under the Section 3553(a) factors. I think the Court can  
23 easily reject both of these arguments based on the specific and  
24 truly egregious facts of this case.

25 The defendant has devoted pages to arguing that the

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1 Sentencing Guidelines focus unduly on the amount of loss. The  
2 government is familiar with the Second Circuit's case law on  
3 this point and of course this Court is familiar with those  
4 arguments. But I think what matters here is that even if there  
5 are fraud cases out there for which an argument could be made  
6 that the guidelines range unduly focuses on the loss amount,  
7 this is just not that case. Even if this Court were to largely  
8 set aside the loss amount, many other factors weigh strongly in  
9 favor of the decade-plus sentence set out in the guidelines  
10 range and those are, of course, the factors in Section 3553(a).

11 First, the nature and circumstance of the offense  
12 stand out for their egregiousness starting with the length, the  
13 scale, and the elaborateness of the fraud. This is a defendant  
14 who carefully constructed and methodically perpetrated his  
15 Ponzi-like fraud for five years, lying to at least two dozen  
16 lenders to abstain an astonishing \$65 million in loans which he  
17 paid back in increments by ensnaring more victims in his  
18 scheme. All told, 17 of his victims lost a total of  
19 \$37 million.

20 I want to specifically address how it was that he was  
21 able to pull this off for so long, and that is really the story  
22 of the intricate nature of the fraud.

23 Unsurprisingly, the defendant was able to steal from  
24 close family members through fairly simple means: By lying  
25 about his assets and lying about what he was going to do with

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1 their money. But many of his victims were not family members,  
2 they are sophisticated financial actors who did their due  
3 diligence. They consulted lawyers, they required extensive  
4 proof of collateral before giving the defendant a dime. That  
5 means the defendant needed to construct a mountain of extremely  
6 detailed and believable paperwork. In fact, he had to provide  
7 more than that because a key part of the defendant's story for  
8 why he needed loans, despite being personally extremely  
9 wealthy, was his claim that most of his assets were restricted  
10 or illiquid and could not be easily accessed without, for  
11 example, significant penalties.

12 This Court will hear today from one victim whom I will  
13 refer to as Victim 1, who despite a close professional  
14 connection to the defendant, insisted that the defendant  
15 provide all of the corroboration necessary to show that any  
16 loan would be secure. So the defendant did not just provide  
17 elaborate paperwork, he claimed he would put the victim in  
18 touch with business executives who would vouch for the  
19 defendant's investments and the circumstances of their  
20 illiquidity. What the defendant did instead was steal the  
21 identities of three real corporate executives and impersonate  
22 them by e-mail and phone.

23 I will move on here to the history and characteristics  
24 of this defendant and why they favor a guideline sentence.

25 Now, it is true the defendant has no criminal history

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1 and it is true that he confessed to his crimes. The government  
2 agrees that the Court should consider those things in imposing  
3 a sentence. But I think what is more relevant here and more  
4 revealing of his characteristics over the long-term, the kind  
5 of person Jeffrey Parket is, is the fact that he only confessed  
6 after perpetrating this fraud for an astonishing five years and  
7 after losing almost all of the money he had borrowed. And just  
8 to be clear, because of how the defendant structured this  
9 fraud, because it was a fraud he perpetrated against not  
10 strangers over the internet but people he knew intimately,  
11 these were loans he took out in his own legal name. For those  
12 reasons, his confession was in fact utterly unnecessary to  
13 prosecute this case. Indeed, as this Court knows, the  
14 government opened the case, spoke to multiple victims and  
15 collected evidence of the defendant's guilt, before speaking  
16 with him.

17 Quite creatively, the defendant also argues that he  
18 should be sentenced as if he is a government cooperator because  
19 of that confession to his crimes and because he has also  
20 separately filed whistle-blower suits identifying the  
21 misconduct of others. My understanding is he is also committed  
22 to filing more whistle-blower suits if he can.

23 The government could not disagree more with the notion  
24 that the whistle-blower efforts that the defendant is making  
25 somehow entitle him to a lesser sentence. As a starting matter

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1 on this question of whether the defendant should be considered  
2 an informal cooperator, signing up the defendant as a  
3 cooperator was never on the table because as a one-man fraud  
4 mastermind, the only person he could have given information  
5 against was himself. But more importantly, as to the  
6 whistle-blower arguments, I think the defendant has it exactly  
7 backward. The Court should consider the defendant's work on  
8 whistle-blower cases which, yes, the defendant says he is  
9 pursuing to try to repay his victims with the millions that he  
10 hopes to get in whistle-blower awards, but even if those awards  
11 in fact came down tomorrow and totally covered the victims'  
12 financial loss, that would mean that the defendant absolutely  
13 had alternatives to the fraud that he perpetrated. If the  
14 whistle-blower filings are successful, in fact what they show  
15 is that the defendant, as an educated and experienced financial  
16 professional, had skills that he could tap, he had analytical  
17 abilities that most people probably only dream of, he had  
18 alternatives to whatever desperate personal financial situation  
19 he found himself in. Instead, he chose to do the unthinkable.  
20 Not a mistake, but five years of decisions.

21 And that brings me to the other Section 3553(a) facts.

22 THE COURT: Before you leave the whistle-blower suits  
23 can I ask you, have you been in touch at all with -- I  
24 understand these are largely in coordination with the Eastern  
25 District; right? Not here?

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1 MS. CHONG: My understanding is that the Eastern  
2 District of New York was interested in at least one case.

3 THE COURT: Have you been in touch with any of the  
4 other U.S. Attorney offices with respect to these  
5 whistle-blower cases?

6 MS. CHONG: No, your Honor, and the government has  
7 chosen not to interact with the SEC on possible whistle-blower  
8 matters. I spoke with a prosecutor on an Eastern District of  
9 New York case and he made very clear that he was not asking the  
10 government to do anything in particular and he was not seeking  
11 in any way to influence the sentencing in this case.

12 THE COURT: I do note for the record that there are no  
13 submissions by any other government authorities or prosecutors  
14 or SEC officials in connection with those suits. Right? Am I  
15 correct about that?

16 MS. CHONG: That's correct, your Honor.

17 THE COURT: OK.

18 MS. CHONG: Just one more point on the whistle-blower  
19 suits, your Honor. I think it would be particularly disturbing  
20 if an individual, who is capable of filing rigorous and perhaps  
21 meritorious whistle-blower suits, was awarded for choosing not  
22 to use those skills and, frankly, uses those skills now after  
23 the fraud, as a get-out-of-jail-free card. I think that that  
24 is not how justice works and the defendant does need to  
25 understand that. I think that's what brings me to the other



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1 Section 3553(a) factors, which is the need for the sentence to  
2 reflect the seriousness of the offense, to promote respect for  
3 the law, and to provide a just punishment, and to deter other  
4 further crimes.

5 For all of the reasons stated, the guidelines range is  
6 appropriate to accomplish these goals, and the seriousness of  
7 the offense goes well beyond the huge amount of money that the  
8 defendant took from so many victims. Here, I think it's  
9 important to emphasize, that when thinking about the  
10 seriousness of the defendant and the importance of promoting  
11 respect for the law, we need to consider how the defendant  
12 executed his crimes and his relationships with the people he  
13 betrayed. This is not a defendant who stole money from people  
14 and institutions he felt could afford the loss. In fact, the  
15 defendant defrauded family, friends, and colleagues repeatedly,  
16 and thereby ensured maximum harm to those individuals because  
17 part of his strategy was to target people in his orbit whose  
18 financial circumstances were sometimes known to him. He cannot  
19 claim he did not know how his fraud would affect them.

20 This Court will hear today from a victim whom I will  
21 refer to as Victim 9, who will describe in trusting the  
22 defendant to help manage her financial accounts only to learn  
23 that instead of helping her, he systematically helped himself  
24 to her money.

25 Another victim, whom I will refer to as Victim 1, will

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1 describe losing a lifetime of labor to the defendant's  
2 deception, and that is specifically because the defendant  
3 didn't just take one big loan from that victim and walk away.  
4 He went back to the same well over and over using elaborate  
5 ruses to pressure the victim to issue additional loans. He did  
6 that despite knowing full well that by utterly devastating this  
7 victim, by squeezing this victim dry, he would leave the victim  
8 unable to support his dependents or pay his family's medical  
9 bills. That is all relevant in considering what kind of  
10 sentence would truly reflect the seriousness of this offense.  
11 In a word, it is the premeditated cruelty in how the defendant  
12 executed his scheme.

13           Lastly, a guideline sentence is needed to deter the  
14 defendant from future crimes but, just as importantly, to send  
15 a message to others like him who would consider choosing to  
16 destroy others so that they can live in comfort and  
17 convenience.

18           Now, I think deterrence is of course always an  
19 important goal of sentencing but I want to suggest it is  
20 particularly important in this case where the harm cannot be  
21 measured in monetary loss alone. By deliberately exploiting  
22 his personal relationships and leveraging his unique  
23 professional skill set to obtain these loans, the defendant  
24 exposed his victims to enormous and lasting emotional and  
25 mental harm. This harm was not done at simply the individual

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1 or interpersonal level, though that would be terrible enough.  
2 The defendant's fraud actually undermined the basic trust that  
3 is so essential to the functioning of our financial system.

4 To explain what I mean I would like to point to one of  
5 the victims, a specialty finance company whose representative  
6 could not be here today. This representative submitted a  
7 letter to the Court explaining, in heartbreaking detail, that  
8 the millions the defendant took, consist largely of the careful  
9 investments and life savings of hard-working individuals and  
10 small family offices in the midwest. These are people who  
11 never met Jeffrey Parket and who sought to simply responsibly  
12 invest their money through a company they believed in, a  
13 company that had worked to build its reputation for almost two  
14 decades. The defendant's fraud is a blow to this entire  
15 intricate system, this web of hard work, smart investment, and  
16 institutional safety that allows us to invest our money, to  
17 hope it will grow, to dream about a future.

18 The defendant is absolutely deserving of a sentence  
19 within the guidelines range.

20 Thank you, your Honor.

21 THE COURT: Thank you.

22 At this time I am prepared to hear from the victims.  
23 Now, as I understand it, Ms. Chong, we have three victims then  
24 who are present today and wish to be heard. We have the fourth  
25 who originally had planned to be heard today and wasn't able to

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1 make it; you submitted a written statement. I don't think  
2 there is a need for that to be read aloud in court. I had it  
3 in written form and now I have the additional submission that  
4 you made last night. I have read it carefully.

5 The defense does have that one as well, right?

6 MS. RAHDERT: Yes, your Honor.

7 THE COURT: So we have three victims who wish to be  
8 heard today.

9 MS. CHONG: Yes, your Honor.

10 THE COURT: All right. So you have referred to them  
11 as I understand it as Victims 1, 9, and 11?

12 MS. CHONG: That's correct, your Honor.

13 THE COURT: OK. So Victim 1? I thank all of you for  
14 being here.

15 VICTIM 1: Your Honor, I want to thank the Court for  
16 this opportunity to say something about the impact Jeffrey's  
17 crimes have had on me personally and, more importantly, on my  
18 family.

19 I spent many painful hours drafting the very detailed  
20 impact statement submitted to the Court almost six months ago,  
21 so today I will be brief if only to spare my family any further  
22 shame and to not overshadow the content of my written statement  
23 that I spent so much time on.

24 THE COURT: Let me just interrupt you to assure you  
25 and everybody else, I have very carefully read all of those

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1 statements.

2 VICTIM 1: Thank you, your Honor.

3 THE COURT: And I appreciate the time that you took.

4 VICTIM 1: It is also very hard for me, your Honor, to  
5 stand up here as a victim. That's not how I have ever thought  
6 of myself. I am embarrassed and ashamed that Jeffrey has  
7 turned me into one. And what he has taken from me is so much  
8 more than just financial. It's true, Jeffrey stole an enormous  
9 amount of money from me, money that I earned over a lifetime of  
10 70 and 80-hour workweeks, money that I earned to provide for my  
11 three children, elderly parents, and for my entire extended  
12 family. Yes, he took all of that. But he took so much more.

13 Jeffrey robbed me of my ability to trust those I  
14 consider friends. This is a man I had known for over 20 years,  
15 someone I thought of as a mentor, as family. He robbed me of  
16 my belief in myself. How foolish must I be to have trusted  
17 this person? It has affected my ability to function with the  
18 confidence I have had for years at my work. It has affected  
19 the way I carry myself with my wife and my children because I  
20 felt such shame at jeopardizing their well being. It has  
21 infected every aspect of my life. I have not had a single good  
22 night's sleep in the two years since I realized what Jeffrey  
23 had done to me. My head spins when I think that now I work to  
24 support and take care of my family. I can tell you, I work not  
25 to support and take care of my family, but rather to pay off

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1 debt I incurred to finance Jeffrey's scheme and lavish  
2 lifestyle of his own family.

3 My stomach turns when I think of the image of me in my  
4 office until all hours of the night away from my family,  
5 earning money to support them, while Jeffrey sat at home  
6 unemployed, putting together fake bank statements, and forging  
7 signatures of executives of public companies to steal my money.

8 My heart breaks when I see my parents scared about the  
9 future of their care.

10 My eyes well up any time I have to deny my children  
11 anything because of what he did to me and to them.

12 Your Honor, Jeffrey stole my peace of mind. In a  
13 word, he has left me completely empty.

14 Since I have submitted my written statement I have had  
15 the chance to read Jeffrey's letter to the Court and I have  
16 seen him pass his crime off as a mistake, a one-off lapse in  
17 judgment. He talks about how sorry he is. Your Honor, I have  
18 been down this road before and I can tell the Court from my own  
19 pain and my own experience that this is just the next step from  
20 the same con that Jeffrey has been committing for five years.

21 Please remember, your Honor, that this is not one  
22 incident, one bad decision, one lie that he told in order to  
23 steal from faceless investors in some public company. This is  
24 a man who stole from his own mother, from his brothers, from  
25 his best friends, from the people who had spent a lifetime

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1 caring for him, trusting him, supporting him. This is not a  
2 fraud that involved one false statement or one phony document.  
3 Jeffrey stole from us by telling lie upon lie, for month after  
4 month, year after year, by creating hundreds of false  
5 documents, by forging people's signatures including his elderly  
6 aunt and mother, pretending to be corporate executives at  
7 public companies, so that he could give himself references for  
8 me.

9 My mind reels when I think of the lengths he went to  
10 in order to steal money from me and my family. It has  
11 literally made me physically ill thinking about how I financed  
12 his ability to take advantage of the good faith of his other  
13 victims and their willingness to help him.

14 Your Honor, as Jeffrey's largest victim by far, I have  
15 put tremendous pressure on myself these past two years in  
16 connection with my written impact statement and in addressing  
17 you today. How am I going to show you who this man really is?  
18 The evil, the conceit, the smugness. But, in his letter to the  
19 Court, he made it easy. He showed you for himself. In his  
20 letter, Jeffrey talks about how he is going to pay all of us  
21 back, how he is going to fix things. He says he is working as  
22 a whistle-blower and that is because he is feeling true  
23 contrition. I know this is a lie.

24 Shortly after I realized Jeffrey had stolen everything  
25 from me, while I was absorbing the enormity of the situation

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1 and before I first spoke with prosecutors, I received a call  
2 from Jeffrey's first lawyer. He told me that Jeffrey was going  
3 to earn a fortune as a whistle-blower and that if I didn't turn  
4 Jeffrey in to the authorities, he would use that money to pay  
5 me back. Indeed, two weeks ago, during the holidays, Jeffrey  
6 had the audacity to direct his lawyer to harass me during the  
7 holidays with my family and tell me that it was in my best  
8 interest to ask the Court to help him with his whistle-blower  
9 case. I couldn't believe it then and it is even more difficult  
10 to believe it now. Jeffrey was trying to buy my silence and my  
11 cooperation now with this nonsense about whistle-blower money.  
12 And when I read Jeffrey's letter to the Court, I saw that  
13 because that didn't work, he is now trying to buy his way out  
14 of prison with the same false promise to you.

15 Jeffrey is an imposter and a failure, that is what he  
16 has been for 20 years, and now he is trying a new scheme, a new  
17 role as some kind of whistle-blower to stay out of jail based  
18 upon things that he has read in the newspaper. It would be  
19 funny if it were not so serious and the stakes were not so  
20 high. He must be stopped. You see, your Honor, none of this  
21 is about remorse or about feeling sorry for the people he has  
22 hurt, it is about Jeffrey trying to advance his own interests  
23 by lying to everyone else about what he is going to do for  
24 them.

25 I thank the Court for listening to me today and I



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1 thank all the people standing behind me who came to support me  
2 today and at all the prior hearings. I thank the prosecutor  
3 and the inspectors for prosecuting this case so well. And I  
4 thank your Honor for holding Jeffrey to account with the  
5 maximum sentence for what he has done, for the harm that he has  
6 caused to me and my family and so many others. I beg you to  
7 deliver justice today.

8 THE COURT: Thank you, sir.

9 Victim 9; Ms. Chong, is that the next person?

10 MS. CHONG: Yes, your Honor; Victim 9.

11 THE COURT: Can you give me one second, please?

12 (Pause)

13 THE COURT: Ma'am, I am sorry. Thank you.

14 VICTIM 9: Your Honor, I, too, have given you a very  
15 detailed victim impact statement and today I am just going to  
16 say a few brief things.

17 I am Jeffrey Parket's stepmother and have raised him  
18 like my own child from the time he was 16 years old. As you  
19 know, I have submitted a detailed victim impact statement and  
20 want to reiterate a few key points about how Jeffrey's  
21 unconscionable and manipulative fraud affected myself and my  
22 family.

23 I had been blessed with remarkably good health my  
24 entire life until Jeffrey's crimes were revealed. Since then,  
25 my health has been severely impacted. I can never get back the

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1 years that I have lost due to health issues, nor can I look  
2 forward to the same quality of time and experiences I could  
3 have had in future years.

4 My husband of 38 years, Jeffrey's father, passed away  
5 in May 2018. He grew up in foster homes for most of his  
6 childhood.

7 THE COURT: You are talking about your husband now;  
8 right?

9 VICTIM 9: My husband.

10 THE COURT: Yes.

11 VICTIM 9: And he was faced with unimaginable  
12 obstacles. Through education, honesty, and hard work, he built  
13 a secure life for his family and focused on imparting his  
14 values to his children. To think that Jeffrey would have  
15 stolen from his father is simply incomprehensible. Our family  
16 has been severed. I am separated from Jeffrey's family. The  
17 loss of my three grandsons is a loss that I grieve every day.

18 As with many of his victims, the financial impact of  
19 Jeffrey's crimes on my life has been devastating. Jeffrey's  
20 father worked so hard as a college and graduate school  
21 professor to save a nest egg for me as he was older than I.  
22 Jeffrey manipulated to steal these assets and has left me in a  
23 very difficult position. I have to move out of my apartment  
24 and find housing in a vastly different price range. Not only  
25 did he steal from me but from his sister and brother and future

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1 generations who ultimately would have benefited.

2 As one can imagine, friendships in Great Neck,  
3 Florida, and now New York City, have been compromised. It is  
4 humiliating to have a family member who has pled guilty to  
5 criminal charges. I cannot explain Jeffrey's reason for  
6 committing these crimes to those who frequently ask, nor do I  
7 want to talk about it. I experience emotional stress and feel  
8 stigmatized. As a result, I avoid people whose company I used  
9 to enjoy and destinations that I used to frequent.

10 In summary, I am suffering severe physical pain  
11 without a diagnosis and cure. I have lost relationships with  
12 loved ones and friends. My financial security has been  
13 significantly impacted. I fear for my future. My sleepless  
14 nights are unending. I do not know what I am going to do.

15 Jeffrey has destroyed my life as well as the lives of  
16 others. Jeffrey defrauded all of us who loved and respected  
17 him. And why? So he could live an extraordinarily opulent  
18 lifestyle? Even if he was down on his luck, his worst case  
19 lifestyle is so much better than most people could ever dream  
20 of. His crimes were pointless and selfish and knowingly  
21 perpetrated through extraordinarily calculated manipulations.  
22 I believe he should pay for his crimes and be sentenced to the  
23 maximum extent permitted by law.

24 Thank you.

25 THE COURT: Thank you. Thank you for being here.

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1 VICTIM 9: Thank you.

2 THE COURT: Victim 11; is that correct, Ms. Chong.

3 MS. CHONG: Yes, your Honor; Victim 11.

4 THE COURT: Thank you.

5 Good afternoon, sir.

6 VICTIM 11: Good afternoon, your Honor. I have also  
7 submitted a victim statement and I believe that you have read  
8 it so I have a short brief comment to state today.

9 I have known Mr. Parket for over 10 years and have  
10 become very close friends with him over that time. At the same  
11 time, I am one of the victims of his crimes, and with the  
12 exception of his recent actions, he has been the one person who  
13 has always helped everyone. I cannot express or put into words  
14 how much he has guided myself and my family over the years.

15 As a victim, everyone's natural reaction is  
16 punishment. However, my priority as a victim is to recover the  
17 money that I have lost. The amount of loss may not be large  
18 compared to some corporations, funds, or wealthy individuals,  
19 but it is certainly very significant to me.

20 Since Mr. Parket's arrest I know he has been working  
21 day and night to try to repay his victims. I believe the Court  
22 is aware of Mr. Parket's efforts with the government agencies  
23 which hopefully has the real possibility to earn enough money  
24 to make full or partial, at least substantial restitution to  
25 his victims. Incarceration in this case could prevent

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1 Mr. Parket's work and prohibit or hinder his efforts to pay  
2 back his victims. I understand this is a unique situation but  
3 I would implore the Court to prioritize and consider victims'  
4 recovery as a priority in any sentence here.

5 Thank you.

6 THE COURT: Thank you, sir.

7 I will note again that I do have the written statement  
8 from the Victim 16, both in its original form and then what was  
9 submitted last night, which as I say, I don't think there is a  
10 need to read aloud. I have carefully read it along with each  
11 of the victim impact statements.

12 So, at this time does counsel for the defense wish to  
13 be heard?

14 MS. RAHDERT: Yes, your Honor. May we confer very  
15 briefly before being heard?

16 THE COURT: Yes, you may. Before you do, actually --  
17 and then we will take a brief break. Do you need a break?

18 MS. RAHDERT: No, I don't need a break, just a moment  
19 to confer. Thank you for asking.

20 THE COURT: I want to raise one issue. What I was  
21 looking for, and I apologize, I didn't mean to keep people  
22 waiting to address the Court so I apologize to you, but was  
23 there a condition of release that Mr. Parket not be in touch  
24 with his victims?

25 MS. CHONG: There was not, your Honor, in part because

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1 of the fact that many of his victims are actually close friends  
2 and family members so that did pose difficulty. That said,  
3 when victims informed the Court, the government then confirmed  
4 with defense counsel that no further contact should be made as  
5 with the victim in this case who mentioned the issue.

6 THE COURT: All right. Do you want to recess for your  
7 time?

8 MS. RAHDERT: Yes; maybe a five-minute recess, your  
9 Honor, if that's acceptable?

10 THE COURT: We will take a brief recess then. Let my  
11 Court deputy know when you are ready.

12 MS. RAHDERT: Thank you. We will.

13 (Recess)

14 THE COURT: Ms. Rahdert, are you going to address the  
15 Court?

16 MS. RAHDERT: Yes, your Honor. May I do so from the  
17 podium?

18 THE COURT: Of course. Sure.

19 MS. RAHDERT: Thank you.

20 Good afternoon again, your Honor.

21 THE COURT: Good afternoon.

22 MS. RAHDERT: Before I begin my remarks, I would like  
23 to briefly introduce those are who are in the courtroom to  
24 support Mr. Parket, with the Court's permission.

25 THE COURT: Sure.

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1 MS. RAHDERT: First, I want to note Tony Bosco, who is  
2 here who submitted a letter in support of Mr. Parket, one of  
3 Mr. Parket's close friends and victim; Victim 11, from whom the  
4 Court just heard and chooses to proceed anonymously today is  
5 here and also wrote a letter of support for Mr. Parket; and  
6 then Evan Stern, one of Mr. Parket's therapists, is here as  
7 well. And I just wanted to note that Mr. Parket's sister,  
8 Allison Berman, had an unavoidable conflict and wanted to be  
9 here but unfortunately could not.

10 THE COURT: I do have a letter from her, though, which  
11 obviously reflected a great deal of thought and reflection on  
12 her part as well.

13 MS. RAHDERT: Thank you, your Honor.

14 And finally, in a similar boat, is Mr. Parket's son  
15 who also submitted a letter for him --

16 THE COURT: Yes.

17 MS. RAHDERT: -- who really did want to be here but,  
18 unfortunately, had an unavoidable conflict as well.

19 THE COURT: Thank you. Thank you, all, for being  
20 here.

21 MS. RAHDERT: Thank you, your Honor.

22 We are asking for a sentence of time-served and a term  
23 of supervised release to include a significant term of home  
24 detention. We recognize that given the gravely serious nature  
25 of the offense and high guidelines range this is an unusual

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1 request that may even seem extraordinary, but we make this  
2 request with one thing in mind and one thing only: Allowing  
3 Mr. Parket to pay full restitution to his victims, with  
4 interest.

5 As the Court well knows, Mr. Parket has been  
6 singularly focused on repaying his victims via a series of  
7 whistle-blower cases filed with the SEC and in one private  
8 civil action. In short, the Court can see his remorse not just  
9 through his words but through his actions since confessing his  
10 crime.

11 For the past two years he has lived in a series of  
12 cheap, temporary apartments paid for by his son, subsisting on  
13 a few dollars a day, and recently even relying on food banks  
14 for assistance. During that time he has engaged in  
15 extraordinary, and in our experience, even unprecedented  
16 efforts to pursue whistle-blower cases to pay restitution. His  
17 tireless work on these cases, along with their likelihood of  
18 success which I will discuss in more detail in a moment, truly  
19 set him apart from virtually all other fraud defendants. But,  
20 his ability to pursue these cases to the finish line depends on  
21 him being able to access the internet and file additional  
22 submissions, which he simply cannot do if he is incarcerated.

23 THE COURT: Counsel, they have internet in prison and  
24 he is represented by counsel, is he not?

25 MS. RAHDERT: Your Honor, the internet access in



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1 prison is extremely limited. My understanding is that it is  
2 limited to a sort of basic e-mail program called CorrLinks  
3 where you can send limited, text only e-mails to lawyers and  
4 people on the outside. And, he has counsel on several of the  
5 cases but there are cases where he is pro se -- representing  
6 himself -- with the SEC.

7 Now, I want to go into the whistle-blower process in a  
8 little bit more detail. I know your Honor has reviewed the  
9 submissions carefully, of course, but Mr. Parket wants his  
10 victims who are here to be aware of the efforts that he has  
11 made and the very real possibility that they may be repaid.  
12 Obviously, although he is constrained by certain  
13 confidentiality issues in what he is able to share --

14 THE COURT: And he also can't make representations to  
15 people.

16 MS. RAHDERT: I'm sorry, your Honor?

17 THE COURT: He cannot make representations to his  
18 victims.

19 MS. RAHDERT: Understood, your Honor. And I was  
20 planning to address that at the end of my presentation but I am  
21 happy to do so now, if the Court would prefer.

22 Essentially, in short, Mr. Parket instructed a lawyer  
23 of his on one of the civil matters of the whistle-blower cases  
24 to communicate with counsel for one of the victims to try to  
25 share more information about the whistle-blower cases with

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1 counsel for the victim and was told that that victim was not  
2 interested in more information. It was a lawyer-to-lawyer  
3 communication and it was motivated by the same desire that  
4 motivates my comments today in terms of sharing information  
5 with the victims about these cases which are very substantive  
6 and legitimate.

7 As I said, he wants to make sure his victims know  
8 about and understand as much as they are able to, consistent  
9 with this confidentiality obligations to the SEC and other  
10 regulators.

11 In short, after he hit rock bottom in late 2021  
12 Mr. Parket searched for a way to try to make things as right as  
13 he could by searching for a way to pay restitution. He  
14 discovered the SEC whistle-blower program which awards  
15 qualifying whistle-blowers with between 10 and 30 percent of  
16 the judgment that the SEC collects based on the information  
17 that the whistle-blower provides. The vast majority of awards  
18 are at or close to that 30 percent level.

19 THE COURT: If the lawsuits succeed.

20 MS. RAHDERT: Correct, if the lawsuits succeed, your  
21 Honor.

22 He embarked on a massive effort to root out financial  
23 wrongdoing across the industry and he scoured thousands of  
24 public filings and pieced together numerous likely violations  
25 of securities laws. It was a very robust effort that he

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1 undertook. The immense effort has turned paying a \$38 million  
2 restitution judgment, which at first sounds like a total  
3 fantasy, candidly, into a realistic possibility.

4 He has filed five cases with the SEC which include 29  
5 supplemental submissions, two of which he submitted only just  
6 within the last week. They allege more than \$12 billion in  
7 wrongdoing across the various cases. These submissions are  
8 supported by approximately 4,000 documents. The five  
9 whistle-blower cases also consist of more than 850 pages of  
10 filings including more than 125 Excel spreadsheets. They  
11 reflect the review and careful analysis, as I said, of more  
12 than 15,000 documents, some of which are voluminous public SEC  
13 filings. They contain sophisticated claims of wrongdoing by  
14 others including very large corporations and hedge funds which,  
15 if the SEC does pursue cases to judgment, would have the  
16 ability to pay large judgments, if such judgments are entered  
17 against them. One of the whistle-blower matters has also led  
18 to a private civil claim that Mr. Parket is pursuing with  
19 retained counsel who is, of course, retained on a contingency  
20 basis.

21 I want to highlight the letters from the attorneys on  
22 these matters that we have filed under seal.

23 THE COURT: I have read them.

24 MS. RAHDERT: Understood, your Honor. I emphasize  
25 that these letters indicate that these are real and substantial

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1 efforts that have a good likelihood of success down the line.

2           Indeed, his work has already produced very promising  
3 results in terms of indication of governmental interest in  
4 those cases. I know your Honor pointed out during the  
5 government's presentation that there are no submissions from  
6 regulators in our sentencing package and I want to note that  
7 the fact remains that Mr. Paret is in fairly consistent  
8 communication with the SEC and attorneys for the SEC about his  
9 allegations, he has had several meetings with them and with  
10 prosecutors in the Eastern District of New York, as your Honor  
11 has also noted, and the fact is that the SEC has also filed  
12 cases publicly indicating that it could be using the  
13 information that Mr. Paret is providing. Further, these SEC  
14 investigations are themselves, as we know, confidential, and  
15 that includes confidentiality vis-à-vis Mr. Paret. The SEC is  
16 not telling Mr. Paret every step of the way its investigation.  
17 He doesn't know exactly how and when they're using his  
18 information because it is sort of a one-way street in terms of  
19 sharing information, if that makes sense.

20           And we also, finally, did not request letters from  
21 regulators in support of Mr. Paret's sentencing package and  
22 the reason we did not request such letters is that the purpose  
23 of Mr. Paret's whistle-blower efforts is not to try to  
24 necessarily influence the Court via letter from regulators, it  
25 is to show and demonstrate that he has a real and concrete plan

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1 to pay restitution and is incredibly devoted to that plan.  
2 Without getting into the confidential details, of course, as we  
3 explain in our submission, there actually is good reason to  
4 believe that the SEC is actively pursuing these cases.

5 In addition to what I have already said, the EDNY was  
6 expressed interest in three cases and the SEC in four of them.  
7 And, again, we did not ask them for letters in support of his  
8 sentencing package.

9 Because of the scope of wrongdoing uncovered, if the  
10 cases are successful, Mr. Parket could be in a position to pay  
11 his restitution in full. Of course, as your Honor noted, that  
12 depends on those cases being prosecuted or enforced to  
13 conclusion. The success of his claims depends on his ability  
14 to continue that work in numerous ways. For example,  
15 Mr. Parket proactively monitors SEC actions related to entities  
16 that he is accused of wrongdoing. He then will reach out to  
17 the SEC personally, and every time a party is publicly charged,  
18 to make sure that the SEC knows about the additional wrongdoing  
19 that he personally has identified through his analysis, even if  
20 it is unrelated to the charges that the SEC filed against that  
21 entity. He won't be able to monitor for those investments and  
22 conduct that outreach from prison.

23 He also --

24 THE COURT: Again, he is represented by counsel in  
25 many of those cases. He certainly can do that.

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1 MS. RAHDERT: Understood, your Honor, he is  
2 represented by counsel in some cases, and I note that although  
3 he is represented by counsel, Mr. Parket's personal effort is  
4 critical to the success of these claims because of the sheer  
5 number of entities that he has accused of wrongdoing. I think  
6 it is approximately 400 entities that are involved in his  
7 whistle-blower cases, some of whom change their names at  
8 different times and it is very difficult to get your arms  
9 around all of the activity related to these entities. Although  
10 his counsel on those cases is quite capable and has invested a  
11 lot of time, Mr. Parket's personal efforts are essential to  
12 making sure that all 400 of those names are monitored on a  
13 regular basis.

14 He also continues to bolster his whistle-blower cases  
15 by filing supplemental submissions that we have alluded to.  
16 Those submissions are really important because they keep the  
17 cases top of mind for the SEC. And, the more information that  
18 he provides in supplemental submissions the more likely the SEC  
19 is to value his assistance and give him a higher percentage of  
20 the ultimate judgment because there is that 10 to 30 percent  
21 range and my understanding is that one factor considered is the  
22 amount of assistance provided by the whistle-blower.

23 This activity is critical to his success and, again,  
24 something that he would not be able to do if incarcerated. Not  
25 only that, but if and when the SEC does obtain a qualifying

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1 judgment, the SEC will post what is called a notice of covered  
2 action and Mr. Parket will have to go online and monitor for  
3 notices of covered actions so he can apply for an award within  
4 90 days of the publication of that notice. If he does not  
5 apply for that award within 90 days, then he does not collect  
6 anything as a whistle-blower.

7 And to your Honor's point, even in cases where he is  
8 represented by counsel, because of the sheer number of entities  
9 involved here, monitoring for notices of covered actions is a  
10 very difficult task that really requires Mr. Parket's  
11 persistent and sometime intensive effort. This means that if  
12 he is incarcerated, it is just unlikely that the victims will  
13 be repaid. That's the bottom line here. And given that his  
14 incredible effort and the likelihood of successfully paying  
15 victims back, in whole or even in extremely large part, we  
16 submit that the 3553(a) factor of the need to provide  
17 restitution to the victims should be weighed very heavily in  
18 the Court's sentencing determination today. That factor favors  
19 a sentence that allows him to continue this work and make his  
20 victims whole financially. Courts rely on that factor in  
21 imposing non-custodial sentences where the facts support that  
22 outcome and, as we submit they do here. Indeed, Victim 11  
23 wrote in his victim impact statement that the most important  
24 thing to him is being repaid and he said that again to the  
25 Court today.

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1 THE COURT: He spoke to me earlier, yes.

2 MS. RAHDERT: Of course. That victim, therefore, asks  
3 the Court to sentence Mr. Parket in a way that permits him to  
4 continue that work.

5 And I also want to note, in addition to paying  
6 restitution to the victims, the whistle-blower process serves  
7 another important purpose for Mr. Parket. He seeks to atone  
8 for his offenses by assisting the government in rooting out  
9 financial frauds and helping other victims of wrongdoing, that  
10 is, victims of the wrongdoing that he alleges in the  
11 whistle-blower cases which, of course, had nothing to do with  
12 his offense and he was not involved in any of those  
13 allegations. It shows his remorse and desire to pay his debt  
14 to society, albeit in a unique way.

15 Although Mr. Parket's efforts to repay his victims are  
16 the principal reason for the sentence that we request, I want  
17 to spend just a couple of minutes on other 3553(a) factors that  
18 we hope the Court considers.

19 Mr. Parket's voluntary, full, and thorough confession,  
20 without any proffer agreement or protections of any kind, is  
21 another extraordinary aspect of Mr. Parket's post-offense  
22 conduct that should be recognized in the Court's sentence  
23 today.

24 After Mr. Parket attempted --

25 THE COURT: Did he ask for a cooperation letter? 5K



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1 letter?

2 MS. RAHDERT: I am not aware of him ever asking for a  
3 cooperation letter, no.

4 THE COURT: And he doesn't have one.

5 MS. RAHDERT: Correct.

6 After he attempted suicide in 2021, Mr. Parket hired a  
7 lawyer and contacted federal prosecutors to make a full  
8 confession. When he first contacted the Eastern District of  
9 New York, he did not know that SDNY had already started an  
10 investigation. As far as he knew there was no criminal  
11 authority interested in his conduct. Whether the SDNY had  
12 already been contacted by victims, therefore, does not  
13 undermine the importance of Mr. Parket's confession which he  
14 sought to give before he knew he was in criminal jeopardy. The  
15 point is what was in his head at that time, and in his mind he  
16 did not know that he was under investigation. He then  
17 cooperated extensively in his own prosecution by preparing a  
18 written narrative of his offense and assisting with calculating  
19 his restitution obligation, which is a complicated effort,  
20 given the nature of the offense.

21 We ask the Court to recognize his cooperation in his  
22 own case and in the whistle-blower cases in imposing sentence  
23 even though, as your Honor notes and as the government noted,  
24 he was never a formal 5K cooperator. We are not saying he  
25 should be treated as such. We are saying that he shares

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1 characteristics with cooperators that are valuable and are  
2 important in considering 3553(a) factors and support the  
3 sentence that we request today.

4           The government, in its submission and in its comments  
5 today, undervalues the importance of his confession when it  
6 asks for a guideline sentence. Mr. Parket confessed, as I  
7 mentioned, because he could no longer live with all of the lies  
8 that he told. He felt shame, remorse, and as the Court knows,  
9 deep depression, and wanted to make things right. The  
10 government mischaracterizes his confession as self-serving  
11 without any factual basis, and the government asserts that his  
12 confession was unnecessary but, of course, the point is that  
13 Mr. Parket did not know that. He did not know that the  
14 government was investigating him at the time.

15           I also note that the government told the Probation  
16 Office that Mr. Parket did provide substantial assistance in  
17 his own prosecution by preparing documents and assisting with  
18 the restitution calculation so that assistance we hope will be  
19 noted by the Court in his sentence. Not only that, but SDNY  
20 has made it clear that in the corporate context, at least, that  
21 voluntarily disclosing wrongdoing merits charging and  
22 sentencing leniency in its corporate voluntary disclosure  
23 policy. In fact, just yesterday the SDNY announced a new  
24 policy permitting individual whistle-blowers who cooperate and  
25 identify certain types of corporate criminal misconduct and

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1 public corruption, to obtain non-prosecution agreements. In  
2 announcing that policy, SDNY emphasized the importance of  
3 incentivizing self-disclosure. Your Honor should, therefore,  
4 weigh Mr. Parket's voluntary confession heavily in your  
5 sentencing decision.

6 I note that the government highlighted general  
7 deterrence as a factor that is important here. in addition to  
8 considering general deterrence I think it is important to send  
9 a message that self-disclosure and voluntary confessions will  
10 be considered in sentences and will be factored in as a reason  
11 for a downward variance to incentivize others to engage in  
12 similar post-offense conduct in the future, which we understand  
13 is the purpose of the newly enacted policy in SDNY, or at least  
14 one purpose of it.

15 Next, I want to briefly touch on just two additional  
16 3553 factors that are really important here. The first one is  
17 the need for adequate mental health treatment. As the Court  
18 knows, in detail, Mr. Parket's mental health challenges have  
19 been well-documented here, beginning with his suicide attempt  
20 in the winter of 2021. Since then he has received robust  
21 mental health treatment which has been essential to his  
22 survival, really. He sees three different therapists, one of  
23 whom he speaks with three times a week. He will not have  
24 access to that level of treatment or perhaps any treatment at  
25 all in Bureau of Prisons custody. Courts regularly consider

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1 this issue in imposing downward variances in sentences.

2           Finally, I want to say a few words about Mr. Parket's  
3 history and characteristics. His crimes are, no doubt, gravely  
4 serious, we understand that completely, and they impacted, even  
5 devastated, many people, financially and emotionally. He has  
6 never disputed that and he feels deep remorse for causing such  
7 lasting severe pain to so many people including people he cares  
8 about extremely deeply. But his crimes must be looked at in  
9 the context of his whole life. Like all of us, he is more than  
10 the worst wrongs he has ever committed. Although the crimes  
11 lasted several years, it was for Mr. Parket an aberration in  
12 his whole life. For the first 55 years of his life Mr. Parket  
13 abided by every law and rule. He was a pillar of integrity for  
14 his friends and family, and the Court can see that in the  
15 letters that were submitted in support of his sentencing  
16 application. In this regard, it is especially noteworthy that  
17 a victim of Mr. Parket's crimes wrote a letter of support --  
18 Victim 11 -- and who spoke here to your Honor today. This was  
19 Exhibit 5 to our submission. In his letter, and today, he  
20 described his friendship with Mr. Parket and the ways in which  
21 Mr. Parket showed unyielding support for him during very hard  
22 times. Even though Mr. Parket defrauded this victim out of a  
23 substantial amount of money, I think what for any person would  
24 be a substantial amount of money, he still sees the good in  
25 Mr. Parket and the value of his work in attempting to fulfill

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1 his restitution obligation. We only ask the Court do the same  
2 here, to view Mr. Parket and his life as a whole and with an  
3 emphasis on his whistle-blower work and post-offense conduct  
4 and to impose a sentence that permits him to make his wrongs as  
5 right as he can by paying back every penny that is owed. For  
6 these reasons, and the many others raised in our submission, we  
7 ask the Court to impose a sentence of time-served with a term  
8 of supervision and a substantial term of home detention.

9 THE COURT: Thank you.

10 MS. RAHDERT: If I may note one additional point, your  
11 Honor?

12 THE COURT: Sure.

13 MS. RAHDERT: I know your Honor said that the Court,  
14 of course, read in detail the written victim impact statements.

15 THE COURT: I have also read all the submissions made  
16 by everybody including all the statements made on behalf of  
17 Mr. Parket.

18 MS. RAHDERT: Of course, your Honor. And Mr. Parket,  
19 I cannot stress this enough, deeply regrets all of the harm  
20 that he caused and the real devastation that is reflected in  
21 those statements. That said, there are a couple of points on  
22 which there are facts where the victims are mistaken, and I  
23 just wanted to note those so that the record is clear in terms  
24 of Mr. Parket's life so the Court has all the accurate  
25 information.

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1           The one I want to highlight actually here, it is only  
2 one, where in Victims 1's statement Mr. Parket, as I mentioned,  
3 did not live a life of luxury after his offense conduct here  
4 and after his confession. He lived on just a few dollars a  
5 day. His inexpensive housing was funded by his son and he took  
6 public transportation and otherwise lived a very frugal  
7 lifestyle as he has been building these whistle-blower cases.

8           I just wanted to make sure that was clear to the  
9 Court.

10           THE COURT: I didn't understand the statement by the  
11 victim to be saying that after his fraud was revealed he lived  
12 a life of luxury. I understood it to be saying that the victim  
13 believes that Mr. Parket engaged in the fraud that he engaged  
14 in in order to continue living what was then a very comfortable  
15 life.

16           MS. RAHDERT: Understood, your Honor. I'm sorry if it  
17 was unclear. I wanted to make sure that that was clear for the  
18 record.

19           THE COURT: Thank you.

20           MS. RAHDERT: Thank you.

21           THE COURT: Mr. Parket, at this time, if you wish, the  
22 Court is happy to hear from you. You are not obligated to  
23 address the Court but you certainly have the right and I am  
24 certainly open to hearing anything you might want to say to me.

25           THE DEFENDANT: I appreciate it, your Honor. I have a

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1 few things that I would like to say, both to the Court and to  
2 the people that are here that I have hurt.

3 THE COURT: Sure.

4 THE DEFENDANT: Listening to everything that everybody  
5 said today, your Honor, the sentiments that each person has  
6 said, the sentiments that were made by people in the victim  
7 impact letters, I have done horrible things, I have hurt people  
8 terribly. And not talking financially, I am talking  
9 emotionally also.

10 I can never make up for everything that I have done  
11 but I would like each person to know how sorry I am that I  
12 lied. I lied, I deceived my family, deceived friends, and  
13 deceived people that I barely knew. I can never make right the  
14 emotional pain that I have caused everyone, but I will repay  
15 each person what they are owed. It is my responsibility and it  
16 is my only mission left in life.

17 I know, I knew and I continue to know right from  
18 wrong. In the spring of 2018 I recklessly lost my life  
19 savings. There is no excuse for my actions. For years I lied  
20 to people and I falsified documents so that people would lend  
21 me money. Even if I had repaid everyone, what I did was still  
22 horribly, horribly wrong. Two years later, after speaking to  
23 therapists and a psychiatrist five times each week, I still do  
24 not know how, after leading a proper life for 55 years, I  
25 became a criminal.

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1           In November of 2021, I hit rock bottom. I could not  
2     lie to anyone anymore. I attempted to commit suicide. I spent  
3     a good deal of time at Gracie Square in their psychiatric ward.  
4     I knew I had to make amends to people that I hurt and I asked  
5     my lawyer to reach out to the United States Attorney's office  
6     so I could admit my wrongdoing. This was done prior to my  
7     being aware of any investigation into me and to my activities.

8           I was interviewed twice by the SDNY and I confessed to  
9     all of my crimes. I provided them with the names of victims  
10    that they were unaware of, and I gave them detailed  
11    spreadsheets of what I stole. In pleading guilty, my primary  
12    motivation was to atone for my crimes and to make sure that my  
13    victims are being repaid first before anything goes to the  
14    government. I have been assured that it is the policy of SDNY  
15    that any money that I earn will go to the victims before the  
16    government gets anything for itself.

17          Repaying people seemed like an impossible task until I  
18    learned about the Securities and Exchange Commission  
19    whistle-blower program in December of 2021. I found a purpose,  
20    I found a reason to live, it was a vehicle to begin atoning for  
21    all of my sins.

22          Earning the money to repay each person in principal  
23    and interest does not excuse my actions in any way but it is  
24    just a first step forward. Accomplishing this is my goal in  
25    life. On average, I spend at least 16 to 18 hours each day,



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1 each and every day of the week, working on these whistle-blower  
2 activities. I am speaking about them today so the victims have  
3 some information about my efforts to repay them. I had  
4 actually asked, when I asked my other attorney to reach out to  
5 the victim, it was solely because I had wanted, for the last  
6 two years, to let people know what I am doing to try to take  
7 steps forward to repay them. It was not done to influence  
8 anybody in any way, it was done purely to inform.

9 The cases that I have put together from independent  
10 research identify more than \$12 billion in wrongdoing. I  
11 identified and documented significant crimes in securities  
12 markets. In 2023, I participated in 21 formal interviews and  
13 informal discussions with the SEC and federal prosecutors at  
14 EDNY. I allege that more than 70 times, hedge funds illegally  
15 shorted stocks in advance of a securities offering and more  
16 than 100 times issuers of hedge funds filed either falsified  
17 documents, contradictory documents, or just plain failed to  
18 make required filings to the SEC. Accounting firms negligently  
19 approved inappropriate implied volatility assumptions in  
20 audited financial statements which resulted in false and  
21 misleading income statements for public companies. I am also  
22 pursuing a civil matter against a hedge fund for a securities  
23 law claim that is covered by strict liability.

24 The information I provided was previously unknown to  
25 the EDNY and the SEC. These agencies have opened formal

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1 investigations into four of the five cases that I filed. In  
2 just the past three years, seven investment banks improperly  
3 collected more than \$950 million in fees. Nine hedge funds,  
4 ranging from \$200 million to more than \$25 billion in assets  
5 under management, improperly earned more than \$3 billion  
6 dollars. 400 corporate issuers violated securities laws by  
7 improperly raising more than \$14 billion dollars in new  
8 capital. Investors lost more than \$12 million in transactions.  
9 Regulators have demonstrated an interest in my allegations  
10 against many of these parties. Successfully repaying victims  
11 is not reliant on any one prosecution or regulatory lawsuit.  
12 Even a small number of convictions or settlements would enable  
13 me to repay each person.

14 For me to succeed in completing this mission to repay  
15 my victims, I still have a tremendous amount of work left to  
16 do. I have requested a punishment of home confinement so I  
17 will be repay each victim of my crime. The Bureau of Prisons  
18 has told me that if I were incarcerated, that I will be unable  
19 to scour the SEC's website, I will be unable to prepare  
20 supplemental submissions and construct spreadsheets and provide  
21 the SEC with additional information each time they charge  
22 another person that I have identified.

23 The SEC expects a whistle-blower, whose submissions on  
24 based on independent analysis, to proactively and continue to  
25 provide new information to them to use in order to earn the

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1 maximum percentage payout. Even with a short sentence, the  
2 statute of limitations will expire on many of my claims before  
3 I can resume my work. In some instances, they expire this  
4 year. If I am permitted to keep working, I believe certain  
5 facets of my allegations will be resolved and will be able to  
6 repay the victims starting in 2024.

7 Since February 17, 2022, I have filed five separate  
8 whistle-blower complaints and 29 supplemental submissions with  
9 the SEC. I am also pursuing a separate civil matter. The  
10 submissions encompassed more than 850 pages and an additional  
11 125 Excel spreadsheets. The 34 submissions are substantiated  
12 by more than 4,000 documents. This is material has been  
13 reviewed, edited, and verified by the attorneys who represent  
14 me.

15 The SEC interviewed me in September after I documented  
16 in 11 submissions that a hedge fund, with more than \$20 billion  
17 assets under management, acted as an unregistered broker-dealer  
18 and illegally distributed hundreds of millions of shares on  
19 behalf of an issuer. The proceeds were then used to repay  
20 other investors. At its core, this was a \$4 billion Ponzi  
21 scheme. I uncovered and provided evidence to the SEC that this  
22 issuer and their law firm, one of the largest and most  
23 prestigious in the country, recklessly lied by misstating  
24 significant facts. This evidence included documents showing  
25 that the chief financial officer and the general counsel each

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1 made contradictory statements under oath to the SEC and under  
2 penalty of perjury to the bankruptcy court. I have previously  
3 you with a supplemental submission focused on this matter.

4 Last year, the SEC charged a hedge fund, central to my  
5 allegations, with violations of fraud, misrepresentation,  
6 Reg SHO, and other violative trading. I provided the SEC with  
7 additional information about the hedge fund's violation of  
8 Rule 105 of regulation M and insider trading. I have had  
9 multiple discussions with the SEC about this fund and expect  
10 that I will be eligible for a reward when the case is resolved.

11 At least seven parties named in my complaints have  
12 already been charged by the SEC, four of those under my  
13 specific theories. For the others, it is a proof of concept  
14 that these parties may be violating SEC regulations. If any  
15 victims would like additional information, I encourage them to  
16 reach out to my counsel.

17 Your Honor, if you would like specific details as to  
18 the alleged crimes I have uncovered, the effort to review all  
19 of my submissions, the names of the underwriters, the issuers,  
20 the hedge funds, the law firms, and the Exchange who have  
21 violated civil and criminal losses, as well as the particulars  
22 of my interviews with the SEC and EDNY, I will answer any  
23 questions you might have.

24 If I am incarcerated there is no guarantee that the  
25 SEC will continue to focus on my allegations. I will almost

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1 certainly receive a smaller percentage payout by the SEC for my  
2 whistle-blower award because I will not be able to provide the  
3 same level of assistance to the SEC in jail. This will reduce  
4 or eliminate my ability to repay victims. The SEC expects a  
5 whistle-blower, whose submissions are based on independent  
6 analysis, to proactively and continuously provide new  
7 information for them to use and to earn the maximum payout.  
8 The SEC has repeatedly asked me for additional information on  
9 topics discussed during interviews. I need these cases to  
10 remain a priority at the SEC.

11 Qualifying for a whistle-blower award a process. The  
12 SEC views my work as significant. They are investigating  
13 submissions and have acknowledged the information is unique and  
14 was previously not known to them. They have conducted many  
15 interviews of me and said it is likely they will want to  
16 interview me further.

17 I am painfully aware that my acts have devastated many  
18 victims, both financially and emotionally. I have also  
19 shattered family relationships. My wife divorced me, two of my  
20 three sons have not spoken with me in more than two years.  
21 There are very few people that still speak with me.

22 Your Honor, I am not looking to escape accountability  
23 for my crimes because of my efforts to repay each person I have  
24 hurt. I understand that a sentence of incarceration is  
25 deserved in light of my crimes. I wish there was a facility

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1 where I could be incarcerated and still continue doing the work  
2 necessary to repay people. Alternatively, I wish you could  
3 sentence me to home confinement so I could repay each person  
4 and then impose the incarceration I deserve. I am devastated  
5 about the lies that I told. I have no excuse for anything that  
6 I have done. I understand that repaying people will not repair  
7 these relationship.

8 Today, two years after I filed my first whistle-blower  
9 case, the path to repaying each person is clear and has a high  
10 probability of success if I am allowed to keep working. I pray  
11 you will sentence me in a way that will make it possible for  
12 the victims to be repaid.

13 Thank you very much.

14 THE COURT: Thank you, sir.

15 At this time I will describe the sentence that I am  
16 intending to impose and my statement of reasons. Before  
17 sentence is finally imposed the attorneys will have an  
18 opportunity to make any legal objections to the sentence that I  
19 outline.

20 I note at the outset, as I said before, that the  
21 guidelines calculation that's contained in the PSR is  
22 consistent with what the parties stipulated to. It is also  
23 consistent with my own independent calculation of the  
24 guidelines range so I'm going to run through that relatively  
25 briefly.

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1 I used the November 2023 guidelines manual. Counts  
2 One and Three are grouped together for purposes of the  
3 calculation. The guidelines applicable for the violations at  
4 issue here is Section 2B1.1. Because the fraud offense carries  
5 statutory maximum term of 20 years of imprisonment or more, the  
6 base offense level is 7. Because Mr. Parket is responsible for  
7 losses of more than \$25 million but less than \$65 million, 22  
8 offense levels are added. There are also several applicable  
9 specific offense characteristics. Two offense levels have been  
10 added because the offense involved 10 or more victims. An  
11 additional two levels are added because the offense involved  
12 sophisticated means and Mr. Parket intentionally engaged in or  
13 caused the conduct constituting sophisticated means. An  
14 additional two levels are added because the offense involved  
15 the possession or use of an authentication feature. There are  
16 no applicable victim-related adjustments or adjustments for  
17 role in the offense or for obstruction of justice. The  
18 adjusted offense level is therefore 35, and then I subtracted  
19 three offense levels, as I noted earlier, two for acceptance of  
20 responsibility and one for timely notice of an intent to enter  
21 a plea. Mr. Parket's resulting total offense level is 32, he  
22 has zero criminal history points, putting him in Criminal  
23 History Category I. The guidelines range for Counts One and  
24 Three is 121 to 151 months of imprisonment.

25 Now, in addition to the sentencing guidelines I also

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1 very carefully considered, as I must, all of the factors that  
2 have been set forth by Congress in a statute at 18 United  
3 States Code, Section 3553. A number of you have heard  
4 throughout counsel's comments reference to or discussion about  
5 the 3553 factors. That's what we are talking about here and I  
6 have carefully and seriously considered and weighed all of  
7 these factors. Those factors include the nature and the  
8 circumstance of the offense and the history and characteristics  
9 of Mr. Parket, the need for the sentence imposed to reflect the  
10 seriousness of the offense, to promote respect for the law, to  
11 provide a just punishment for the offense, to afford adequate  
12 deterrence to criminal conduct, to protect the public from  
13 further crimes by Mr. Parket, to provide Mr. Parket with needed  
14 educational/vocational training, any medical care or other  
15 correctional treatment, in the most effective manner. I am  
16 also instructed, as I said I have, to consider the sentencing  
17 guidelines that we have been talking about as well as the  
18 policy statements that are issued by the Sentencing Commission  
19 that promulgates these guidelines which are ultimately adopted  
20 into law by Congress. There is also a need to avoid  
21 unwarranted disparities in sentencings among similarly situated  
22 defendants and to provide restitution to the victims of  
23 Mr. Parket's crimes.

24 I have carefully weighed all of these factors and I  
25 have given substantial thought to what is an appropriate



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1 sentence in this case. I have concluded that a sentence, a  
2 guidelines range sentence is appropriate in this case. I  
3 simply cannot, weighing all of those factors, sentence  
4 Mr. Parket to time-served. And, frankly, I don't think it was  
5 a reasonable request to have been made in light of the record  
6 before me. I will outline several of the factors that lead me  
7 to that conclusion. I begin with the seriousness of the  
8 offense.

9 Mr. Parket, over the course of approximately five  
10 years, you participated in a complex, extensive, sophisticated,  
11 elaborate fraud scheme that spanned five different states. To  
12 perpetuate that fraud you fabricated hundreds of pages of  
13 elaborate paperwork and you impersonated other real people.  
14 You went to great lengths to perpetrate this fraud. You built  
15 lie upon lie and you deceived countless people. In doing so,  
16 you drew on your extensive experience and connections in the  
17 finance world to construct an intricate years' long fraud.  
18 That fraud, your crimes, were cold, they were senseless, they  
19 were manipulative, and they were calculating.

20 In committing your offenses you harmed and destroyed  
21 the lives of many, many people. I have listened to several of  
22 those people who spoke to me today and I have read very  
23 carefully the very impactful statements by people who didn't  
24 come and talk today. All of those people took time out of  
25 their busy lives to address the Court, either in writing or in

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1 person, and they spoke to the harm and the pain that your  
2 actions have put them through. I have read all of those victim  
3 impact statements and I have read all of the letters that were  
4 submitted on your behalf as well.

5 It's appalling to the Court that several of the people  
6 of whom you took advantage were your own family members, your  
7 friends, your colleagues. You capitalized on your relationship  
8 with these people, the trust they placed in you, the love they  
9 had for you. This includes three of your sons and your  
10 stepmother. You knowingly abused their love and trust of some  
11 of the most important people in your life. Ultimately, your  
12 criminal activity will have significant and lasting  
13 consequences for every single person you have injured and that  
14 counsels in favor of a serious sentence as just punishment.

15 I have looked very carefully at your history and your  
16 personal characteristics. By all indications, you had a very  
17 happy, stable childhood and a loving family life. You were  
18 never exposed to any form of abuse, poverty, violence,  
19 maltreatment, substance abuse. You lived a quite comfortable,  
20 if not a wealthier lifestyle. By your own account, your best  
21 childhood memories were spent with your loving parents. Prior  
22 to your criminal conduct, you were in a long, stable, and happy  
23 marriage and your three sons clearly loved, adored, and looked  
24 up to you.

25 I read your many letters of support. I recognize the

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1 charitable work that you have done both before and after your  
2 crimes came to light.

3 Your strong ties to your family and your friends, your  
4 stable upbringing, all of those things make your conduct all  
5 the more troubling. You are extremely well educated, you  
6 possess multiple higher education degrees. You have had  
7 extensive employment experience in the financial sector working  
8 as the manager for various hedge funds, an independent stock  
9 trader, a senior executive vice president of a financial  
10 institution, among others.

11 I understand there came a point that you incurred or  
12 suffered some serious personal hardships. Specifically, I am  
13 referencing your wife's illness and the death of your father.  
14 Those types of hardships are suffered by many, many people. In  
15 fact, all of us or most of us, ultimately endure the loss of  
16 parents. You say thereafter and as a result you incurred  
17 significant financial losses. Again, many, many people face  
18 serious financial difficulties. But, instead of leveraging  
19 your extensive knowledge, your intellect, your experience to  
20 get yourself back on your feet, instead of using your God-given  
21 talents and skills as you are now trying to do in connection  
22 with the whistle-blower cases to get out of the bad financial  
23 predicament you got yourself into, you used your knowledge to  
24 harm and deceive others and, as you just told me, you knew what  
25 you were doing was wrong. Your conduct does not appear to the

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1 Court to appear to have been driven by a failed support system,  
2 poverty, or lack of education. Your actions were driven by  
3 nothing but greed.

4 I must consider and I have considered the need for  
5 both specific and general deterrence. I do recognize that you  
6 have no criminal history, but I cannot agree that age or lack  
7 of prior criminal history nullifies or even minimizes the need  
8 for specific deterrence in this case. Frankly, the only  
9 relationship that your age has in terms of my weighing an  
10 appropriate sentence here is that by the time you committed the  
11 conduct at issue here, you had built up substantial knowledge  
12 and expertise and you used that knowledge and expertise to  
13 engage in serious criminal conduct.

14 You argue that your lack of criminal history makes  
15 this crime an anomaly, makes it aberrant in an otherwise  
16 law-abiding life. But this was not a one-off incident. As I  
17 said earlier, you perpetrated this fraud over the course of  
18 close to five years and you devoted enormous amounts of time  
19 and energy to keep it running and to keep it hidden. That  
20 conduct warrants just punishment.

21 There is also a serious need for general deterrence in  
22 these circumstances. I have an obligation to send a message  
23 that this country does not tolerate this kind of fraudulent and  
24 abusive behavior. I have an obligation to promote respect for  
25 the law.

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1           Now, your lawyer talked to me about the fact that I  
2           should send a message that self-reporting one's misconduct will  
3           be rewarded. The more important message for me to send is that  
4           people shouldn't engage in this type of conduct in the first  
5           place.

6           I am also mindful, and I credit defense counsel's  
7           arguments, pertaining to the loss amount under the tables and  
8           sentencing guidelines which resulted in the 22-level increase  
9           in your offense level. I have carefully considered that  
10          argument and I do acknowledge that the Second Circuit has  
11          recognized that in some circumstances there can be a  
12          disproportionate impact from the loss amount enhancement. I  
13          have weighed that consideration but I note here that the harm  
14          that you have done is not simply the dollar amount of loss that  
15          you have caused. You destroyed people's lives. You caused  
16          devastating harm, emotionally and mentally, to the health and  
17          well-being of your victims, to their sense of stability, their  
18          sense of trust, to their peace of mind, and that loss cannot be  
19          calculated and needs to be weighed, as well, in terms of an  
20          appropriate sentence.

21          Now, I acknowledge that you have repeatedly expressed  
22          remorse for your conduct. I recognize that you proffered with  
23          the government, that you confessed to your wrong, but you did  
24          that only at a time when your wrong was already beginning to  
25          unravel, whether you knew that or not.

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1 I acknowledge, as well, the multiple whistle-blower  
2 suits that you have filed in an attempt to obtain  
3 whistle-blower awards which you want to use towards victim  
4 restitution payments. This is one of the main arguments that  
5 your attorney made and, frankly, you made, standing up and  
6 arguing to me the merits of the suits that you are involved  
7 with. You both rely on that very heavily in terms of an  
8 ability to pay restitution to your victims and you say that  
9 depends on your staying out of prison, serving your sentence in  
10 the community, so that you can continue to be able to pursue  
11 those whistle-blower actions. I reject that argument in its  
12 entirety. I reject that that's the only way for you to  
13 continue to work on those whistle-blower cases. As I said  
14 before, there is internet in prisons, you have attorneys  
15 representing you in those cases. If the SEC needs to speak  
16 with you, it will know where to find you. If appropriate, it  
17 can ask to have you temporarily released to meet with them and  
18 a judge will weigh whether that's appropriate. Moreover,  
19 although you are hopeful to pay restitution through these  
20 suits, there is simply no guarantee and that's what I meant  
21 when I said to counsel you cannot represent to these victims  
22 that they're going to be repaid because of these whistle-blower  
23 suits. That would be another -- I don't want to call that a  
24 fraud, but I also think it is wrong to hold out what may well  
25 be a false hope to the victims. So I want to be clear on the

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1 record that while I am hopeful -- and I accept that Mr. Parket  
2 is hopeful that he will be able to compensate, in some respect,  
3 through those whistle-blower lawsuits. Right now that is  
4 wholly speculative. There is absolutely no guarantee. There  
5 is no guarantee the suits will succeed, there is no guarantee  
6 the SEC will act on information Mr. Parket is bringing to them.  
7 There is no guarantee that he will be given awards as a result  
8 of any lawsuits that might be successful. It is entirely too  
9 speculative to say that you should be forgiven any prison time  
10 as a result of the tremendous wrong you have done based on  
11 these whistle-blower lawsuits.

12 While I commend your efforts to pay restitution to  
13 your victims, those efforts do not entitle you to escape  
14 accountability for the crimes you have committed.

15 I just want to comment, too, on this notion that in  
16 some respect, even though there is no 5K letter, you are a  
17 cooperator. You simply are not within the meaning of the  
18 considerations that I'm supposed to weigh here. Yes, I credit  
19 that you are remorseful. Yes, I credit that you have confessed  
20 to your crimes. But you are not entitled to be treated as a  
21 cooperator in this case.

22 Now, your attorney also urges that the consequences of  
23 your actions since your arrest have been ample punishment. I  
24 disagree. Every defendant with far more severe impacts on  
25 their life can make that same kind of an argument. Every

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1 mitigating circumstance that you have provided to the Court  
2 speaks to events that occurred after your fraudulent scheme  
3 came crumbling down. Your isolation from your family, your  
4 mental health issues for which I am very happy that you have  
5 been getting help, apparently meaningful help -- and I will  
6 indicate in the judgment that I will enter that you should  
7 continue to get that kind of treatment while you are in  
8 prison -- your inability to find employment, your pursuit of  
9 the whistle-blower cases, all of these are nothing more than  
10 direct consequences of your own selfish and criminal conduct.

11 Having said that, I have weighed all of that in  
12 fashioning an appropriate sentence. I have to say that there  
13 is no mitigating circumstance that I have heard in our rather  
14 lengthy discussion today that can begin to explain your reasons  
15 for engaging in this type of really egregious scheme. While I  
16 have no doubt that your arrest has had serious repercussions on  
17 your life, these are all inevitable consequences that you and  
18 other defendants face when you engage in criminal conduct.

19 So, for all of these reasons, it is the intent of the  
20 Court to sentence you to a term of imprisonment of 121 months,  
21 to be followed by a term of supervised release on each count of  
22 three years, to run concurrently. During that period of  
23 supervised release all of the mandatory and standard conditions  
24 set forth in the PSR will be applicable, as will the special  
25 conditions that I discussed with you earlier. The mental



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1 health condition is warranted in light of the struggles that  
2 you have had. The search condition is justified by the  
3 fraudulent nature of your offense. And the financial  
4 conditions are warranted in order to monitor your finances,  
5 including payment of any financial penalties that I am going to  
6 impose and to prevent any additional fraud.

7 In addition, the PSR did not indicate but you will be  
8 supervised during that period of supervised release by the  
9 district in which you are residing.

10 There is a \$100 mandatory special assessment for each  
11 count. There are two counts to which you pled so there is a  
12 \$200 mandatory special assessment, payable immediately.

13 Now, Section 5E1.2 says that the Court shall impose a  
14 fine unless you establish that you are unable to pay. I do  
15 find, based on the record before me and the hefty restitution  
16 and forfeiture obligations, coupled with all the other  
17 financial information including the debts that you have and the  
18 fact that your son has basically been supporting you, that you  
19 do not have the ability to pay a fine so I don't intend to  
20 impose a fine.

21 With respect to restitution, I will enter the consent  
22 order of restitution obligating you to pay restitution in the  
23 amount of \$37,643,842.90. With respect to forfeiture, the  
24 order of forfeiture, together with the subsequent stipulation  
25 and order that I entered, it is final as of this date. I am

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1 incorporating that in the sentence that I am imposing and it  
2 will be incorporated into the judgment in this case.

3 So, at this time I will pause, as I said I would do,  
4 to give counsel the opportunity to lodge any legal objections  
5 to the sentence that I have outlined. Does the government have  
6 any objections that you wish to make?

7 MS. CHONG: No, your Honor.

8 THE COURT: Does the defense wish to make any legal  
9 objections to the sentence?

10 MS. RAHDERT: No legal objections, your Honor.

11 THE COURT: Mr. Parket, would you please stand? Sir,  
12 it is the judgment of the Court that you be remanded to the  
13 custody of the Bureau of Prisons to serve a term of  
14 incarceration of 121 months. That will be followed by a term  
15 of supervised release of three years on each of the two counts,  
16 to run concurrently, and during that time the mandatory  
17 standard and special conditions of supervised release that we  
18 have been discussing will be imposed.

19 There is a mandatory \$100 special assessment on each  
20 count so you are responsible, immediately, to pay a \$200  
21 mandatory special assessment.

22 The Court is not imposing a fine.

23 The restitution order that we have discussed will be  
24 part of the judgment and the Court will adopt the proposed  
25 payment schedule that was set forth in the PSR.

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1           The order of forfeiture that's on the docket at  
2 ECF no. 39 is imposed as part of your sentence and that  
3 forfeiture order is, as I say, part of your sentence and will  
4 be incorporated into the judgment in this matter.

5           You may be seated.

6           I should note, Mr. Paret has been on release  
7 throughout the life of this case. I do find, based on the  
8 recommendation of probation, that he is a candidate worthy of  
9 voluntary surrender so I will include in the judgment that he  
10 surrender on April 11 of this year at the facility to be  
11 designated by the Bureau of Prisons. If, for any reason, the  
12 Bureau of Prisons hasn't designated by then, you will be in  
13 touch with the Court please, counsel, and we will modify that.  
14 All right?

15           MS. RAHDERT: Your Honor, if I may be heard very  
16 briefly on designation?

17           THE COURT: Yes. I was going to ask you that but go  
18 ahead. Sure.

19           MS. RAHDERT: Sorry, your Honor.

20           THE COURT: No, that's all right.

21           MS. RAHDERT: We respectfully request that the Court  
22 recommend to the Bureau of Prisons designation at a facility as  
23 close to New York as possible.

24           THE COURT: To New York City.

25           MS. RAHDERT: Correct; yes, New York City, excuse me.

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1 And I know your Honor mentioned that mental health treatment  
2 would be part of the Court's judgment, but also noting that a  
3 facility with robust mental health treatment could be the  
4 recommended designation as well.

5 THE COURT: I will include both of those in the  
6 judgment.

7 MS. RAHDERT: Thank you very much.

8 THE COURT: Is there a motion by the government to  
9 dismiss any open counts?

10 MS. CHONG: Yes, your Honor. The government moves to  
11 dismiss the two open counts.

12 THE COURT: That motion is granted and that will be  
13 reflected in the judgment as well.

14 Now, Mr. Parket, I should tell you that to the extent  
15 you haven't waived it in the plea agreement that you entered  
16 into with the government, you do have a right to appeal from  
17 both your conviction and from your sentence. If you are unable  
18 to pay the costs of any appeal, you may apply for leave to  
19 appeal in forma pauperis. Any notice of appeal by you has to  
20 be filed within 14 days of entry of the judgment. Given the  
21 late hour today the judgment will not get entered today but it  
22 most certainly will be entered tomorrow, so that will start the  
23 clock running on any time to appeal. Do you understand, sir?

24 THE DEFENDANT: Yes, I do.

25 THE COURT: Is there anything further for the record?

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1 MS. CHONG: No, your Honor.

2 THE COURT: Counsel?

3 MS. RAHDERT: Nothing further, your Honor.

4 THE COURT: So all that remains, Mr. Paret, I wish  
5 you well. I hope that you will use the time that you are in  
6 prison to try to think about how you can use your many, many  
7 gifts and talents to benefit society and first your victims. I  
8 wish you well.

9 I thank our court reporter.

10 With that, we will stand adjourned. Thank you.

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